

H.F. 1587

As amended by H1587A2

Subject Tax increment financing; five-year pooling rule extended to ten years

for redevelopment districts located outside metropolitan area.

Authors Torkelson

Analyst Alexandra Haigler

Date March 8, 2021

Overview

This bill extends the five-year rule to ten years for redevelopment districts that are certified after June 30, 2021.

Under current law, development activity for a TIF district is required to be completed within five years after the district's certification. After this five-year period expires, increments may only be spent to pay off debt obligations incurred to fund the development.

Summary

Section Description

1 Five-year rule.

Extends the five-year rule to ten years for redevelopment districts located outside of the seven county metro area that are certified after June 30, 2021.

2 Use of revenues for decertification.

Makes a corresponding extension of the six-year rule for districts eligible for the extension in section 1. The six-year rule requires increment be spend on paying debt obligations incurred during the district's first five years.

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.